



For Immediate Release  
January 13, 2009

Contacts: Carol Guthrie (Baucus)  
(202) 224-4515

**FINANCE PANEL TO ACT ON CHILDREN'S HEALTH INSURANCE PROGRAM;  
BAUCUS ANNOUNCES DETAILS OF UPDATED BILL**

*Committee to continue longstanding effort to expand key program  
that ensures doctors' visits, medicines for American children in need*

**Washington, DC** – Senate Finance Committee Chairman Max Baucus (D-Mont.) unveiled updated legislation to renew and improve the Children's Health Insurance Program (CHIP), which provides health insurance to children living in families not poor enough for Medicaid, but still unable to afford private health insurance. The Finance Committee will consider a Chairman's Mark of the updated CHIP Reauthorization Act on Thursday, January 15, at 11:15 a.m. in Dirksen Senate Office Building Room 215. The \$31.5 billion legislation will preserve coverage for as many as 6.7 million children enrolled in the Children's Health Insurance Program, and will provide coverage to 3.9 million additional uninsured, low-income children in the U.S.

In 2007, Baucus, Sen. Chuck Grassley (R-Iowa), Sen. Jay Rockefeller (D-W.Va.), and Sen. Orrin Hatch (R-Utah) wrote and twice led the passage of legislation to renew the Children's Health Insurance Program and to provide health coverage to as many as 10 million low-income, uninsured children in the U.S. However, President George W. Bush twice refused to sign the Children's Health Insurance Program bills. Today's updated Chairman's Mark is nearly identical to the 2007 bills (HR 976 and HR 3963) approved overwhelmingly by the Senate and by the full Congress. Modifications chiefly address new cost projections and budgetary issues.

**"The Children's Health Insurance Program is needed now more than ever. In these tough economic times, more and more parents can't afford health coverage for their kids. But CHIP can get uninsured, low-income kids the doctors' visits and medicines they need to stay healthy,"** said Baucus. **"Millions of families felt abandoned in 2007 when the Children's Health Insurance Program got vetoed. But I'm committed to go the last mile now and finally see a CHIP expansion signed into law. It's time to do what's right by some of the most vulnerable kids in this country, and I expect that the Finance Committee will take the first step here in the Senate this week."**

As the policy was not included in bipartisan agreements in 2007, the initial Chairman's Mark does not contain language reflecting the Immigrant Children's Health Improvement Act (ICHIA), a measure that would provide CHIP and Medicaid eligibility for coverage for low-income, uninsured, legal immigrant children in the U.S. fewer than five years, and for low-income, uninsured, legal immigrant women who are pregnant. However, Baucus said today that he looks forward to an opportunity to support ICHIA as Children's Health Insurance Program legislation moves toward final approval.

--more--

In addition to the preservation of health coverage for 6.7 million children and new coverage for 3.9 million more, the key elements of this year's Children's Health Insurance Program legislation remain the same as the 2007 bills, including:

- State allotment formula improved to reflect actual projected spending in CHIP
- Funding for outreach and enrollment efforts
- Bonus payments to states for enrolling lowest-income children for health coverage
- Contingency fund to protect states from shortfalls in unforeseen emergencies, and to provide bonus funding for enrollment of lowest-income children for health coverage
- Coverage for children in families above 300 percent of Federal poverty level will receive Medicaid match rate, rather than higher CHIP funding
- States can use information from food stamp programs and other initiatives for low-income families to find and enroll eligible children
- Improved premium assistance policies
- Options to cover pregnant women for the prenatal care vital to healthy newborn children
- Funds for existing coverage of low-income parents will transition to a lower Federal matching rate
- Childless adults will be moved out of CHIP
- New waivers for additional adult coverage in CHIP will not be permitted
- Improved pediatric quality measures for CHIP and Medicaid

Specific changes from 2007 CHIP legislation include:

- Funding of \$31.5 billion above the baseline, changed from \$35 billion in 2007 to reflect budgetary changes.
- Reauthorization for a period of four and a half years (through September 2013) rather than five years as proposed in 2007. This will harmonize CHIP authorization with the Federal fiscal year.
- Changes to bonus structure, making the larger of two levels of bonus payments (15 percent and 62.5 percent) available to states once Medicaid enrollment levels reach 10 percent above target, rather than three percent in 2007 legislation.
- Slight revisions to tobacco tax increases in the bill.

Congress decided at CHIP's creation in 1997 that taxes on tobacco products were an appropriate offset for a program intended to improve the health of low-income children across the country. The 2007 CHIP bills passed by overwhelming margins in the Senate followed that precedent. The updated Chairman's Mark released today still funds investment in the Children's Health Insurance Program with a 61-cent increase in Federal tax on cigarettes, with proportional increases for other tobacco products.

Additional provisions in the bill still provide additional outreach funds for Native American children, streamline the Medicaid enrollment process for children living in poverty, and give states the option of documenting an applicant's citizenship at application or following up by confirming through the applicant's Social Security number.

Current authorization for the Children's Health Insurance Program expires on March 31. Following Finance Committee consideration of the Chairman's Mark, the full Senate is expected to take up renewal of the Children's Health Insurance Program this month. President-Elect Barack Obama has said that once in office, he intends to sign into law legislation extending the Children's Health Insurance Program to millions more low-income, uninsured children across the country.

###